

generation in the last decade is a revelation. What a wonderful feeling it is for you and for me, for all of us, who have just had a little part to play in improving the health and welfare of all of the people of this country. We can rightly be proud of contributing something to the relief of the suffering of humanity.

So today we have facing the people of this Nation the very dread disease of cancer. Which one of us has not seen our loved ones, our neighbors, and our friends as they have lingered and finally passed on to their reward because of this dread scourge? Which one of us has not seen those nearest to us suffering from heart disease, which brings to the minds of our people the suffering that humanity endures? Just this morning I learned that our former colleague in this House, the Honorable Clyde Ellis, a former Member from my State, who served here for many years, was stricken with a heart condition and is now in a hospital here in Washington. Which one of us has not seen those near and dear and close to us stricken down by stroke? Those are the three dread diseases that we are attacking here today. I do not believe that there will be any opposition to this effort as we present it here to you today.

Mr. Chairman, this legislation as originally introduced was highly controversial. It was highly controversial because we had persons who felt this legislation was in conflict with the fundamental philosophy of the Government. They felt the legislation was bringing into existence what in this country we have been somewhat fearful about over the years; namely, what has been termed "socialized medicine."

Now this legislation does not provide for a program that will now, or at any time in the future, lead to socialized medicine.

My hat is off to the medical profession. I think we owe them more than we can possibly pay them. We have a member of that profession on our committee. He has been invaluable, in my judgment, and I have appreciated the contribution that our colleague, the gentleman from Kentucky, Dr. CARTER, has made to this program as we bring it here to you today.

In this proposed legislation, Mr. Chairman, we attack the condition that represents the cause of 71 percent, or a little more, of the deaths of the people of this Nation. I believe we do it in a way that is consistent with our philosophy.

Our committee, in the final analysis, by a voice vote unanimously reported this amended bill to you for your consideration.

Under the bill, a program will be established under which applications will be made to the Surgeon General for planning grants to aid people in working out programs of cooperation between medical schools, research institutions, hospitals, and practicing physicians to help in meeting problems in the areas of these three diseases. The program set out under the legislation would support cooperative arrangements between medical schools and their affiliated teaching hospitals with research centers, local hospitals, and practicing physicians,

under which patients could be provided the latest advances in diagnosis and treatment, and programs of continuing education would be made available to practicing physicians in forms more convenient than existing arrangements provide. Our report points out a number of programs already being conducted in the United States which are similar to the programs proposed under this bill.

The purpose of this legislation is to help meet the problem faced by our Nation arising out of heart diseases, stroke, and cancer. In March 1964, the President appointed a Commission under the chairmanship of Dr. Michael De Bakey, known as the Commission on Heart Disease, Cancer, and Stroke. This Commission studied the problems of these three diseases for 9 months and submitted a report in December 1964, which included a number of recommendations. Legislation was introduced to carry out some of the recommendations of the Commission, and after hearings on this legislation, our committee reported the present bill to the House.

A lot of opposition was expressed to the bill during the course of the hearings, principally by representatives of organized medicine. We amended the bill very substantially, in accordance with the recommendations by the American Medical Association, and thereby met many of the objections which were expressed to the bill.

Most of the amendments that the committee adopted are intended to strengthen local control of programs established under the bill. Under the bill as we reported it, local groups must get together and decide for themselves if they want to accelerate heart, cancer, and stroke control programs by increased cooperation between local medical schools and their teaching hospitals, clinical research facilities, community hospitals, and practicing physicians. An advisory committee will have to be appointed which will include practicing physicians, medical school officials, hospital administrators, representatives from appropriate medical societies, voluntary health agencies, public health officials, and members of the public. Many State and local public health departments now have existing heart, cancer, and stroke control programs with personnel and facilities which would be valuable assets to this program both in the prevention of disease and in the network of diagnosis, referral, and aftercare. If the National Advisory Council on Regional Medical Programs considers the proposed program sound enough to merit assistance, and recommends approval to the Surgeon General, the Surgeon General can make a planning grant to the local group to meet the expense of developing plans for establishing a local program of cooperation. The local group will then make studies and determine whether the establishment of such a program is feasible, and if they determine that it is, they will then work out a program tailored to the needs of the locality. Obviously, a program to meet the needs of a sparsely populated State such as Wyoming would differ from the plan worked out in a State such

as Illinois, which in turn would differ from the type of program needed in a State such as Connecticut.

Once the local plans have been worked out, it will be necessary for these plans to be approved by the local advisory group. At this point an application can be made to the Surgeon General for funds to establish and operate the program at the local level. If the National Advisory Council recommends approval of the program, the Surgeon General can make a grant to meet the expenses of establishing and operating the program at the local level.

Primarily the program will consist of cooperative arrangements among existing institutions. For example, the program might pay part of the expenses of establishing at community hospitals in the local area directors of continuing education. The program could pay expenses of programs of continuing education involving visits by personnel from the participating medical school and its affiliated teaching hospitals to community hospitals. There are many ways in which programs of continuing education are carried on today, and under the bill these programs can be expanded and strengthened.

Under the program, new and sophisticated equipment can be procured for community hospitals, and doctors and supporting paramedical personnel can be trained in its use.

Research programs can be conducted at affiliated research institutions and the training of medical students, graduate students, and researchers can be improved through programs of cooperation between the medical schools, the research institutions, local hospitals, and practicing physicians.

There is nothing really new in the program proposed by this bill which we have reported to you. A program very similar to that set out in the bill has been carried on in Maine since 1931. It is called the Bingham Associates program, and Members will find it described on page 5 of our committee's report. A similar program is conducted in New York; a similar program is centered around Columbus, Ohio; a similar program is conducted in Wisconsin; there is a very successful and imaginative program of continuing education conducted in Minnesota; and a program similar to the one set out in the reported bill has been carried out in the State of Iowa since 1915.

Mr. Chairman, the American people are fortunate in having the best medical care in the world available to them in this country. It is an unfortunate fact, however, that the most modern advances and the best techniques in medical care are not always available to all of our citizens. The program established under this bill will help bring the latest advances in the care, treatment, as well as the prevention, of the three greatest killers in our country today—heart disease, cancer, and stroke. We think the program to be established under the reported bill will go a long way towards making more generally available to our citizens the very best in medical care.

calculation of the trade-out value of the vessel. The conferees thought that vessels which had been traded into the defense fleet prior to 1960 should be calculated differently than those which were acquired after 1960. This is for the reason that these ships are old and are not likely to be used. In the past we would calculate their value either on the domestic market or world market or scrap value or a combination of such values.

The conferees agreed to submit language which would state that the Maritime Administration would select that calculation which would yield the fairest high return to the Government. The conferees of the Senate and House agreed to this provision.

Another provision which I would mention is the conferees thought that trading-out for nontanker use should be explained more fully in light of the present day conditions and the nontanker use is defined.

Mr. Speaker, I think basically that covers the agreement of the conferees on this bill. I fully support the conference report and yield back the balance of my time.

Mr. GARMATZ. Mr. Speaker, I yield such time as he may require to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Speaker, I just want to state for the record that the conference report was unanimously agreed to. There is full agreement on the part of the minority. We think it is a good report and we urge that the House accept it as it comes to the House for approval today.

Mr. GARMATZ. Mr. Speaker, we have no further requests for time and move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

(Mr. GARMATZ asked and was given permission to revise and extend his remarks at this point in the Record.)

Mr. GARMATZ. Mr. Speaker, it has come to my attention that because of the emergency in Vietnam the Defense Department has first call upon the most desirable vessels in the Reserve fleet. For that reason, and also because in any event the Department of Defense must approve the release of any vessel for exchange pursuant to the vessel exchange statute, the Maritime Administration will probably not process pending vessel exchange applications after the passage of this legislation which extends the program for 5 years, and even if it does, I believe that the Department of Defense will be reluctant to release the desirable vessels. I am further informed that the cost of reactivating Reserve fleet vessels for operation under general agency operation for MSTs is running as high as \$500,000 and perhaps will exceed that amount in certain cases. It would seem to me that in the interests of economy and also the expansion of our private merchant marine, the Administration and MSTs would be well advised to permit trade-out of these vessels under the Vessel Exchange Act.

This would eliminate any cost of reactivation to the Government as the applicant receives a reduction from the valuation of the traded-out vessel equivalent to the cost of placing the vessel in class. But the applicant must expend his own funds to restore the vessel. This would also serve to up-grade our privately owned fleet on a permanent basis. The private owners, after reactivation, would either charter the vessels to MSTs or operate the vessel in other trades which would release additional desirable vessels for use by the military. I hope that the Maritime Administration and MSTs will consider this proposal and continue to implement the vessel exchange program.

#### HEART DISEASE, CANCER, AND STROKE AMENDMENTS OF 1965

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3140) to amend the Public Health Service Act to assist in combating heart disease, cancer, stroke, and other major diseases.

The SPEAKER. The question is on the motion offered by the gentleman from Arkansas.

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3140) with Mr. Flood in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas [Mr. HARRIS] will be recognized for 1½ hours and the gentleman from Minnesota [Mr. NELSEN] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Arkansas, but pending that, the Chair asks the gentleman to suspend for 1 minute. The Chair has two announcements to make and a couple of ground rules to lay down.

First, the Members are aware that last evening the majority leader advised us that since today is Friday, at the end of the day's business he would ask consent to go over until Monday noon. It has been a long, hard, hot week. All Members wish to be with their families. I do not blame you. That is an important announcement to the Members.

The second announcement is much more important to the Chair. The Chair advises the Members that this is the wedding anniversary of the gentleman from Pennsylvania and Mrs. Flood. [Applause, Members rising.]

You are very kind. I assume that out of deference to Mrs. Flood you are applauding. However, all the necessary festivities have been arranged. Need I say more?

The gentleman about to address the Committee has been a member of this committee and the House for 25 years. He has announced that he is retiring from the House. This is our loss. The gentleman has been nominated by the

President and confirmed by the Senate unanimously as a Federal judge. He has been chairman of the great Committee on Interstate and Foreign Commerce for many, many years. He has presented many bills of vital import to the Nation. I am not sure of the date of his retirement, but the two bills he is about to present might possibly be his last major presentation. The greatest compliment and the tribute you can pay is to give him your rapt attention.

The Chair recognizes the gentleman from Arkansas.

Mr. HARRIS. Mr. Chairman, I yield myself such time as I may consume.

First. May I say to you, Mr. Chairman, and to my colleagues, I am grateful for the expression of esteem which has just been manifested by the distinguished chairman of this committee. I do not know what the date is going to be myself.

Second. On behalf of all of our colleagues let me congratulate the distinguished chairman of this committee and his wonderful and lovely wife on this occasion of their anniversary. We offer our felicitations to them on this important occasion and extend to them our wishes for many, many, many more happy and joyous years together.

Mr. Chairman, this is one of the last of three major legislative proposals that I shall have the honor of presenting to my colleagues in the House.

Mr. Chairman, it has been my honor and privilege to have served with our colleagues in this House over the last quarter of a century. This is no time to discuss some of the feelings I may have, but during that time it has been my honor and privilege to bring to you, along with the members of the great Committee on Interstate and Foreign Commerce, over the years many highly important legislative programs.

In my considered and humble judgment, this bill which we bring to you today is undoubtedly one of the most important of the legislative proposals it has been our privilege to submit to this House. As a matter of fact, I do not believe there is anyone in this House or anyone in the country who can object to or does object to, the objectives of this legislative proposal, H.R. 3140.

Our committee has had jurisdiction over matters of public health since 1795. The very first legislative proposal which was referred to the committee which is today the Committee on Interstate and Foreign Commerce was a public health bill to protect the health and welfare of the merchant marine of this country. Down through the years there have been many important legislative programs to improve the health of our people and to eradicate certain of the dreaded and terrible diseases which have wrought burdens and tragedies upon the people of this country.

Let me recall to you that with regard to some of these diseases that we have faced in the past, such as yellow fever and malaria, today we think there is not much to them, but many years ago there was. Many of us here can recall the tragedy that poliomyelitis brought to the people of our Nation. What we have been able to do about that disease in our



United States  
of America

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## House of Representatives

The House met at 11 o'clock a.m.  
The Reverend V. L. Daughtry, Jr., First Methodist Church, Cuthbert, Ga., offered the following prayer:

God, grant the gifts of historical insight and understanding to this assembly of representative government.

Give to it a sensitivity to the failure and glory of the past.

Give to it an awareness of duty and mission in the present.

Give to it a vision of hope and confidence for the future.

Give to it the courageous ability to distinguish each time from the other. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 2091. An act relating to the establishment of concession policies in the areas administered by National Park Service, and for other purposes;

H.R. 2358. An act for the relief of Tony Boone;

H.R. 2772. An act for the relief of Ksenija Popovic;

H.R. 8035. An act to authorize the Secretary of the Interior to accept a donation of property in the county of Suffolk, State of New York, known as the William Floyd estate, for addition to the Fire Island National Seashore, and for other purposes;

H.R. 9417. An act to revise the boundary of Jewel Cave National Monument in the State of South Dakota, and for other purposes;

H.J. Res. 309. Joint resolution to amend the joint resolution of March 25, 1953, to increase the number of electric typewriters which may be furnished to Members by the Clerk of the House.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 7059. An act to amend the act of July 2, 1940 (54 Stat. 724; 20 U.S.C. 79-79e), to authorize such appropriations to the Smithsonian Institution as are necessary in carrying out its functions under said act, and for other purposes; and

H.R. 10871. An act making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10871) entitled "An act making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. HAYDEN, Mr. RUSSELL of Georgia, Mr. ELLENDER, Mr. MAGNUSON, Mr. HOLLAND, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mr. MUNDT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1855. An act to provide for the establishment of the Roger Williams National Memorial in the city of Providence, R.I., and for other purposes;

S. 2126. An act for the relief of Sook Ja Kim, Ai Ja Kim, and Min Ja Kim; and

S. Con. Res. 53. Concurrent resolution authorizing the printing of the report of the proceedings of the 42d biennial meetings of the Convention of American Instructors of the Deaf as a Senate document.

The message also announced that the Vice President, pursuant to Public Law 84-689, appointed Mr. Moss as an alternate delegate to the 11th North Atlantic Treaty Organization Parliamentary Conference to be held in New York, N.Y., October 4 to 9, 1965.

### THE LATE HON. WILLIAM C. COLE

(Mr. HULL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HULL. Mr. Speaker, I rise to give expression to the sadness and deep regret which all who knew him feel upon the passing of our former colleague, William C. Cole.

Bill Cole served four terms in the House of Representatives. He represented the old Third District of Missouri from 1943 to 1949, and the present Sixth District in 1953 and 1954. During those terms, he served on the House Committees on Invalid Pensions, on Rivers and Harbors, on House Administration, on Post Office and Post Roads and its successor Post Office and Civil Service.

Bill Cole was a patriot who not only served his country in the Congress and later as a member of the Board of Veterans Appeals, but also had the distinction of defending his Nation with service in both the Army and the Navy.

In 1916 he served in the Army under Gen. John J. Pershing in the Mexican campaign against Pancho Villa. He was mustered out shortly before the United States entered World War I, and he enlisted in the Navy only 8 days after this country declared war.

Bill Cole was a Republican. He was a good Republican. He was loyal to his party, and he served his party well both in public office and out. He was especially active in veterans' legislation, and in support of rural electrification programs, soil conservation, and a balanced farm economy.

From this side of the aisle, and from a person who at one time opposed him in an election campaign, let it be stated that Bill Cole placed country before any political consideration.

I am sure that his lovely wife, Esther Cole, and his daughter, Mrs. Mary Schofield, can take great comfort in the knowledge that he won a niche in the hearts of all who knew him, and that his service to his fellow man will forever be a monument to his memory.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. HULL. I yield to my colleague from Missouri.

Mr. HALL. Mr. Speaker, I appreciate the distinguished gentleman's yielding.

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I want to join him, from this side of the aisle, in paying last respects to our former colleague, Bill Cole. Although it was not my privilege to serve in this House when he was here, I knew him through the State organization. My wife joins me in extending heartfelt sympathy and prayers of understanding, in this time of bereavement to his lovely lady, Esther.

I especially compliment the gentleman on his generous statement and on assuming this sad duty to appear in the well of the House today and express sentiments in his own inimitable way with which we all associate ourselves.

We pray the Almighty will cast mercy on the soul of our departed friend.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HULL. I am glad to yield to the gentleman.

Mr. GROSS. Mr. Speaker, I greatly regret to hear from the gentleman from Missouri [Mr. HULL] of the death of our former colleague and my friend of other years, Bill Cole.

It was with credit and distinction that he served his district, the State of Missouri, and the Nation, and he has been missed in the Halls of Congress.

I extend my condolences to the members of his family.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. HULL. I yield to the distinguished minority whip.

Mr. ARENDS. Mr. Speaker, I had the privilege of serving in Congress with my good friend, Bill Cole. It was a pleasure and a privilege to know him and to work with him.

(Mr. ARENDS asked and was given permission to revise and extend his remarks.)

Mr. ARENDS. Mr. Speaker, I am deeply distressed to learn of the passing of my good friend and former colleague, Bill Cole. During his service in the House I had occasion to work with him on many legislative problems. He demonstrated that he was not only a man of ability but a man of character and convictions. And he always had the courage of his convictions. Perhaps this accounts in some measure for the fact that his service in the Congress was not continuous. He was not the type of man who would sacrifice his principles—the things in which he firmly believed—for political expediency.

Bill Cole indeed made a substantial contribution to the work of the Congress. While he is no longer with us, he has left a legacy of a job well done.

I extend my sincerest sympathy to his family.

Mr. HULL. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks at this point in the Record.

The SPEAKER. Without objection it is so ordered.

There was no objection.

#### CALL OF THE HOUSE

Mr. DEVINE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 323]

Abbott	Ford,	Murray
Adair	William D.	O'Brien
Adams	Frelinghuysen	O'Hara, Ill.
Addabbo	Goodell	Olson, Minn.
Anderson, Ill.	Grabowski	Ottenger
Andrews,	Gray	Pirnie
George W.	Gubser	Powell
Andrews,	Hagan, Ga.	Pucinski
Glenn	Halleck	Reinecke
Aspinall	Hansen, Iowa	Resnick
Banister	Hays	Rhodes, Ariz.
Barling	Hébert	Rivers, S.C.
Betts	Henderson	Roberts
Boggs	Herlong	Roosevelt
Bolling	Hicks	Scott
Bolton	Hollfield	Senner
Bonder	Holland	Shriver
Brock	Hosmer	Sikes
Burton, Utah	Johnson, Calif.	Smith, Calif.
Callaway	Johnson, Okla.	Springer
Cassey	Keogh	Stalbaum
Clatsen,	Kirwan	Talcott
Don H.	Kluczyński	Teague, Calif.
Clawson, Del.	Landrum	Thomas
Collier	Latta	Thompson, Tex.
Corbett	Lindsay	Toll
Cornman	Lipscomb	Tuck
Dawson	Long, Md.	Udall
Diggs	McEwen	Utt
Dori	Madden	Whitten
Dowdy	Mailhard	Williams
Duncan, Oreg.	Miller	Willis
Edwards, Calif.	Moeller	Wilson, Bob
Farmley	Monagan	Wyatt
Farrum	Morton	Yates
Fino	Moss	Younger

The SPEAKER. On this rollcall 328 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### CORRECTION OF ROLLCALL

Mr. ROGERS of Colorado. Mr. Speaker, on rollcall 321 I am recorded as being absent and not voting. I was present and voted "yea," and ask unanimous consent that the Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

#### CORRECTION OF THE RECORD

Mr. TEAGUE of Texas. Mr. Speaker, at the third column of page 24019 of the Record of September 23, the remarks which begin with the word "second," including all of the material in that paragraph, should properly be attributed to the gentleman from Indiana [Mr. ADAMS]. I did not make the remarks indicated in that paragraph in the Record. I therefore ask unanimous consent, Mr. Speaker, that the Record be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### CORRECTION OF ROLLCALL

Mr. DADDARIO. Mr. Speaker, on rollcall 313 I am recorded as being absent. I was present and voted "yea."

and ask unanimous consent that the Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

#### ANNOUNCEMENT

Mr. SAYLOR. Mr. Speaker, on rollcall 322 I was not present, and arrived just after the vote was announced. Had I been present I would have voted "yea."

#### CORRECTION OF RECORD

Mr. CRAMER. Mr. Speaker, on page 23754 of the Record of September 21, in the last line of the third column, I am quoted as saying "in both instances." That was incorrectly reported, and should have been recorded as my having said "yea" on rollcall 309 and "nay" on rollcall 303.

I ask unanimous consent that the Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

#### VESSEL EXCHANGE AMENDMENTS

Mr. GARMATZ. Mr. Speaker, I call up the conference report on the bill (H.R. 728) to amend section 510 of the Merchant Marine Act of 1936, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 23, 1965.)

The SPEAKER. The gentleman from Maryland [Mr. GARMATZ] is recognized for 1 hour.

Mr. GARMATZ. Mr. Speaker, I yield to the gentleman from Virginia [Mr. DOWNING] such time as he may consume.

(Mr. DOWNING asked and was given permission to revise and extend his remarks.)

Mr. DOWNING. Mr. Speaker, the Government has a very excellent trade-out, trade-in program for vessels which have been placed in the national defense fleet. This trade-out, trade-in program was provided by section 510 of the Merchant Marine Act of 1936 as amended. The provisions in the program expire this year and the purpose of the bill, H.R. 728, is to broaden certain provisions to cover some problems that we are meeting with today and also to extend the life of section 510 and the provisions thereof for a period of an additional 5 years.

The House and Senate have no substantial disagreement and the conferees agreed to substitute a text for both the Senate bill and the House bill.

There are several items that might be mentioned, one of which concerns the

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Exposition to be held in San Antonio, Tex., in 1968, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

# OIL CONSUMERS HIT AND HURT BY HOEHN APPOINTMENT

Mr. PROXMIRE. Mr. President, this morning when I opened the Washington Post, I was shocked to read that Secretary Udall has said that if newly appointed oil import administrator Elmer L. Hoehn should lean too far in the direction of industry in administering oil imports he—Udall—and Hoehn's predecessor, J. Cordell Moore, newly appointed Assistant Secretary for Mineral Resources would supply the "corrective."

Now keep in mind, Mr. President, this is the same Elmer Hoehn who was executive secretary of the Independent Oil Producers and Land Owners Association in Kentucky, Illinois, and Indiana, and that has been hammering away at cutting imports of oil.

So Hoehn has just been the hired hand for the special interest dedicated to cutting imports to get their own price to American consumers up.

This is the Hoehn whose job is to allocate oil imports among qualified applicants. He is the man who will issue licenses on the basis of these allocations.

And the Secretary of the Interior says that if Hoehn lives up to his advance billing, in favor of the oil industry, the Secretary and Assistant Secretary Moore will lean on him—will correct him.

Now I ask you, what kind of way is this to run a Department; Secretary Udall is saying, in effect that he will oversee Hoehn's operation, that Hoehn will be closely watched to see that he does not favor industry.

If there is any simple truth in administrative operation it is that in these immense Federal departments with their farflung responsibilities and their thousands of employees, the Secretary as head of the Department can not possibly watch his subordinates carefully. Nor in fact can his Assistant Secretary. This is exactly why these appointments are so immensely important.

Does Secretary Udall imply that he will issue the import licenses, that he will make the oil import allocations? Of course he won't.

Mr. President, it has been said: "Let me write the songs for a nation and I care not who writes its laws."

Well Mr. President, let me determine who serves in these key subordinate positions in this or any administration and I care not who are in the higher positions. It is the hundreds of Elmer Hoehns who run this Government.

Any efficient executive must delegate to subordinates the authority to make the decisions within the responsibility of that subordinate; and it is clear that the big decisions on imports of oil are delegated to Elmer Hoehn by clear Department policy and experience and directive.

Furthermore, Mr. President, the American oil consumer does not deserve to have a man in this position whose actions must be carefully watched. I pointed out earlier this week that Hoehn's appointment was an insult to the American consumer and now Secretary Udall has confirmed this opinion.

I deeply hope that Secretary Udall will reconsider this rash move. Cordell Moore, Mr. Hoehn's predecessor is a career civil servant. He exemplified the type of man who was beholden to no special interest group.

There is no reason on the face of the earth why another man of this disinterested caliber could not have been chosen for the job.

I am not impugning Mr. Hoehn's character. However, no man can escape his background and his preconceptions and associations. Think of the pressure Mr. Hoehn will be subjected to by his old compatriots. Think of the point of view with which he will undoubtedly approach all policy decisions.

Mr. President, Secretary Udall should make a public, not a special interest appointment to replace Mr. Hoehn. Then there would be no question of "correctives."

The Secretary of the Interior should not be a probation officer.

I ask unanimous consent to have printed in the RECORD the Washington Post article entitled "Udall Is Delighted With Oil Import Chief."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

## UDALL IS "DELIGHTED" WITH OIL IMPORT CHIEF

Secretary of the Interior Stewart L. Udall told a news conference yesterday that he is "delighted" with the appointment of Elmer L. Hoehn as oil import administrator.

Hoehn, a former member of the Indiana House of Representatives, has for the last decade been executive secretary of the Independent Oil Producers and Land Users Association, Tri-State.

When the appointment was announced, Senator WILLIAM PROXMIRE, Democrat, of Wisconsin, scored it as an "unethical betrayal of the consumers' interests. PROXMIRE said the Tri-State group had played an active role in advocating the cutting of oil imports.

"I am delighted that we have someone who has an insight into the oil problem," Udall said yesterday. He said that Hoehn had prepared, at Udall's request, a signed statement that neither he nor any member of his family had any financial interest in oil companies.

The oil import program has been under review for the last 6 months and is now being studied by the White House. Udall said the program, "a very tight, compact, compartmentalized program dedicated to protecting consumers' interests," is now in the final stages of examination.

In response to questions, Udall said that if Hoehn should lean too far in the direction of the industry in administering oil imports, he and Hoehn's predecessor, J. Cordell Moore, newly appointed Assistant Secretary for Mineral Resources, would supply the "corrective."

## L.B.J.-H.H.H. STRIKE ANOTHER BLOW FOR CIVIL RIGHTS

Mr. PROXMIRE. Mr. President, the President has today announced several

changes in the Government's civil rights program designed to improve our efforts in this field. Among those recommendations is the suggestion that the Community Relations Service be transferred from the Department of Commerce to the Department of Justice. I should like to point out that this recommendation shows, by implication, what remarkable progress we have been making in the field of civil rights.

I know that my colleagues will applaud the recommended reassignment of civil rights functions which Vice President HUMPHREY has made to the President.

I believe that this is one of the most far-reaching proposals for the strengthening and clarification of the goals of this administration within the area of civil rights.

It is indicative of the administrative talents of the Vice President because it brings into clear focus the fact that what we have been doing in the field of civil rights can be continued and even improved by the changes that he has proposed.

By his concurrence in these recommendations, the President has indicated his own feeling that it is of great importance to attach responsibility for effective civil rights programs to each and every official of the Federal Government. As you know, during his term as Vice President, the President served as Chairman of the President's Committee on Equal Employment Opportunity. Because of the heavy workload which he brought to this office and because of the big strides made by the Committee during his chairmanship, he has remarkable understanding of the problems involved in the field of civil rights.

I am sure that Members will agree that his suggested reorganization will allow us to move ahead faster and further in this most important field.

The Community Relations Service was located in the Department of Commerce by the Congress when it enacted the Civil Rights Act of 1964. We did this on the assumption that the primary role of that Service would be to conciliate disputes arising out of the public accommodations title of the act. But the acceptance of the public accommodations provision, even in those areas of our country where those provisions constituted a reversal of generations of local custom and practice, has far exceeded our most optimistic predictions.

Thus, what we expected to be the primary function of the Community Relations Service has all but disappeared. The President's proposal—which was recommended by the Vice President in his capacity as Chairman of the President's Committee on Equal Opportunity—seeks to locate this valuable service where it can make greater contributions to other aspects of the race relations problem. Locating the service in the Attorney General's office will enable it to supplement the broad and deep experience of the Department of Justice in racial matters. From that vantage point, the Service can call upon the appropriate departments of the Government to conciliate any disputes which arise.



### TITLE III

Sec. 301. Notwithstanding section 7307 of title 10, United States Code, or any other law, the President may lend to friendly foreign nations, on such terms and conditions as he deems appropriate ships from the reserve fleet as follows:

(1) Turkey, two destroyers, and (2) Philippines, one destroyer escort.

Sec. 302. All expenses involved in the activation, rehabilitation, and outfitting (including repairs, alterations, and logistic support) of vessels transferred under this title, shall be charged to funds programed for the recipient government as grant military assistance, or as reimbursable, under the provisions of the Foreign Assistance Act of 1961, as amended, or successor legislation.

### TITLE IV

Sec. 401. Loans executed under this Act shall be for periods not exceeding five years, but the President may in his discretion extend such loans for an additional period of not more than five years. They shall be made on the condition that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

Sec. 402. No sale or loan may be made under this Act unless the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such sale or loan is in the best interest of the United States. The Secretary of Defense shall keep the Congress currently advised of all sales or loans made under authority of this Act.

Sec. 403. The President may promulgate such rules and regulations as he deems necessary to carry out the provisions of this Act.

Sec. 404. The authority of the President to sell or lend naval vessels under this Act terminates on December 31, 1967.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

### EXCERPT FROM THE COMMITTEE REPORT (No. 781)

#### PURPOSE

The bill as amended would authorize the loan of 11 ships to the following countries:

Argentina (destroyers)-----	2
Brazil (destroyers)-----	3
Italy (submarines)-----	2
Spain (helicopter carrier)-----	1
Philippines (destroyer escort)-----	1
Turkey (destroyers)-----	2

The destroyers to be loaned or sold are of the *Fletcher* class (2,100 tons), and the submarine is of the *Balao* class (1,500 tons).

#### BACKGROUND

##### The law

Before 1961 U.S. naval vessels could be transferred to friendly foreign nations under the provisions of the Mutual Assistance Defense Act of 1949, as amended. Public Law 82-3, which was approved in 1951, the text of which appears in section 7307 of title 10, United States Code, requires that a battleship, carrier, cruiser, destroyer, or submarine that has not been struck from the Naval Register may not be sold, transferred, or otherwise disposed of without express congressional approval.

Since 1951 Congress has enacted 17 laws relating to ship transfers. Eleven of these laws provided authority for new loans and extensions of existing loans and the other six dealt with loan extensions only.

##### Summary of transfers

The 17 laws relating to ship transfers enacted since 1951 have authorized the loan of 84 ships, the transfer of 9 ships, and the sale of 4 ships. Of the 94 ships authorized for

loan, 72 have actually been loaned. Of the four ships authorized for sale, one has been sold. All of the nine ships authorized for transfer have been transferred.

#### Requests received

Since World War II the United States has received many requests for ships from foreign countries. These requests have been evaluated in terms of the needs of the requesting countries, mobilization requirements of the United States, worldwide demands on our resources, and the availability of mutual defense assistance funds.

Ships proposed for loan under this bill will satisfy some of the more urgent requests that have been considered. The ships that are proposed for loan under the bill are part of our mobilization base, but they will be in the possession of allies and not lost by the United States.

#### Definition of a "friendly foreign nation"

Responsibility for determination of a "friendly foreign nation" is vested in the President by sections 503, 506, and 507 of the Foreign Assistance Act of 1961.

### TITLE I

This title authorizes the loan of two submarines to Italy and a helicopter carrier to Spain.

The submarines will be used by Italy to replace obsolete submarines now in its navy. The vessels to be loaned would improve the proficiency of the Italian antisubmarine warfare forces. Limited activation of the submarines will be accomplished in the United States before transfer to Italy where they will receive extensive overhaul and modernization.

The helicopter carrier will be used by Spain to build an antisubmarine warfare capability that would be helpful to the United States in combating the threat posed by the submarine forces of potentially hostile nations. The Spanish Government will pay the cost of activation, overhaul, and modernization in U.S. shipyards and will buy helicopters for the carrier from the United States.

### TITLE II

This title authorizes the loan of two destroyers to Argentina and three destroyers to Brazil.

These ships will be used by the recipient countries to replace obsolete ships and to standardize on general purpose vessels that are suitable and effective for peacetime surveillance of coastal waters, support of counterinsurgency operations in coastal areas, and war-time patrol of convoy routes along the coasts.

The bill gives Argentina and Brazil the option to purchase the ships at a price of not less than \$1 million per ship.

### TITLE III

This title would authorize the loan of one destroyer escort to the Philippines and two destroyers to Turkey.

The destroyers will be used by Turkey to meet responsibilities assigned to it by the North Atlantic Treaty Organization.

The destroyer escort for the Philippines is intended as a replacement for the Philippine Navy flagship that was sunk during a typhoon in the summer of 1964. This vessel will also provide a quicker response and a greater force than can now be provided by Philippine patrol ships.

#### GENERAL PROVISIONS

The loan of the ships under authority of this bill may be for periods not exceeding 5 years and the President may extend the period of the loans for an additional period of not more than 5 years. All loan agreements must contain a provision that the loan can be terminated if necessitated by defense requirements of the United States.

The loan or sale of the vessels must be preceded by a determination by the Secre-

tary of Defense, after consultation with the Joint Chiefs of Staff, that the loan or sale is in the best interest of the United States. The Secretary of Defense is required to keep the Congress currently informed of transfers made under authority of the bill.

The authority to sell or lend vessels would terminate on December 31, 1967. This period of time is needed to provide for negotiation and the orderly planning of activations and overhauls.

#### FINANCIAL INFORMATION

The cost of the limited activation of the two submarines to be loaned to Italy will be borne by the Italian Government. The Spanish Government will pay the cost of activating the carrier—approximately \$10 million—and in addition, will buy helicopters costing \$10 million from the United States. Hence there will be an inflow of gold of more than \$20 million.

The ships for Argentina and Brazil would result in a minimum of \$14.5 million or a maximum of \$28.5 million favorable flow of gold, depending on the extent of overhaul and modification and whether the recipient countries desire to purchase the ships.

Even the expense associated with ship loans that is grant aid would be paid by the United States for work done in our own shipyards. Consequently, there is no gold outflow.

The cost of activating, overhauling, and rehabilitating a destroyer varies between \$3.3 and \$5.7 million and similar costs for a destroyer escort are between \$2 and \$2.7 million. These costs are typical and vary somewhat from ship to ship.

#### VIEW OF EXECUTIVE BRANCH

The executive branch originally recommended ship loan legislation in three separate bills. This bill, as amended, does not contain all the loans recommended but the committee was informed that the executive branch supports authority for all the loans contained in the bill.

### BILL PASSED OVER

At the request of Mr. MANSFIELD, and by unanimous consent, the following bill was passed over:

H.R. 9247, to provide for participation of the United States in the HemisFair of 1968 Exposition to be held in San Antonio, Tex., and for other purposes.

### ORDER FOR ADJOURNMENT UNTIL TUESDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

### HEMISFAIR 1968 EXPOSITION, SAN ANTONIO, TEX.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 759, H.R. 9247; that it be laid before the Senate and made the pending business, not to be acted on before Tuesday next.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 9247) to provide for participation of the United States in the HemisFair of 1968

#### Why disposal is proposed

The current stockpile objective for copper, which was established by the Office of Emergency Planning, is 775,000 short tons. The national stockpile inventory of copper exceeds this objective by approximately 156,000 short tons.

The Bureau of the Mint requires copper for coinage. Until now the mint's requirements for copper have been met from the Defense Production Act inventory, but all the copper remaining in this inventory has been committed for use by the mint and an additional 110,000 short tons are needed to meet planned requirements.

The copper to be made available from the stockpile must be refined before it can be used by the Bureau of the Mint for coinage. Since this refinement requires time, a waiver of the 6-month waiting period will allow the necessary refining to proceed.

#### Financial information

The Bureau of the Mint will reimburse the General Services Administration for the copper at its fair market value. The current average domestic market price is 36 cents per pound. Approval of this legislation will avoid Government expenditure of approximately \$80 million that otherwise would be required for the purchase of copper and it will also result in storage and maintenance savings.

### DISPOSAL OF CHEMICAL GRADE CHROMITE FROM THE SUPPLEMENTAL STOCKPILE

The bill (H.R. 10715) to authorize the disposal of chemical grade chromite from the supplemental stockpile was considered, ordered to a third reading, read the third time, and passed.

EXCERPT FROM THE COMMITTEE REPORT  
(No. 776)

#### PURPOSE

This bill would (1) grant congressional approval of the disposal of approximately 659,100 short tons of chemical grade chromite now held in the supplemental stockpile, and (2) waive the 6-month waiting period normally required before disposals from the national stockpile can be begun.

#### EXPLANATION

##### Why congressional action required

Existing law requires congressional approval for the disposal of materials in the supplemental stockpile unless the proposed disposal is based on a determination that the material has become obsolescent for use in time of war.

The proposed disposal of chemical grade chromite is based solely on a determination that the quantity of this material in the supplemental stockpile is excess to requirements. Consequently, the proposed disposal requires the express approval of the Congress.

##### Why disposal is proposed

The quantity of chemical grade chromite in the national stockpile and the supplemental stockpile is 1,259,036 short dry tons. The stockpile objective is 600,000 short dry tons and thus approximately 659,100 short dry tons are excess to current requirements.

Chemical grade chromite is an ore that is converted into sodium bichromate, from which other chrome chemicals are derived. These chemicals are used for such purposes as plating, anodizing for metal protection, paint pigments, tanning of leather, and textile and chemical manufacturing.

The proposed disposal of this material will probably require 20 to 25 years to complete. The sales for the first year will be about 20,000 short tons.

#### Financial information

The chemical chromite in the supplemental stockpile was acquired at an average cost of \$17.80 per short dry ton. The current market price is quoted at \$17 per short dry ton, f.o.b. Atlantic ports.

### DISPOSAL OF COLEMANITE

The bill (H.R. 10714) to authorize the disposal of colemanite from the supplemental stockpile was considered, ordered to a third reading, read the third time, and passed.

EXCERPT FROM THE COMMITTEE REPORT  
(No. 777)

#### PURPOSE

This bill would (1) grant congressional approval for the disposal of approximately 67,600 long dry tons of colemanite now held in the supplemental stockpile, and (2) waive the 6-month waiting period normally required before disposals from the supplemental stockpile can be started.

#### EXPLANATION

##### Why congressional action required

Under existing law congressional approval is required for the disposal of materials in the supplemental stockpile except when the proposed disposal is based on determination that the material has become obsolescent for use in time of war.

The proposed disposal of colemanite is based on a determination that the quantity of colemanite in the supplemental stockpile is excess to stockpile requirements and not because colemanite is obsolescent for use in time of war. Consequently, congressional approval is required for the disposal.

##### Why disposal is proposed

The colemanite that is in the supplemental stockpile was acquired through the barter of surplus agricultural products and was placed in the supplemental stockpile under authority contained in the Agricultural Act of 1956, as amended. A national stockpile objective was never established for this material.

Colemanite is a mineral that is the source of boron compounds, such as borax and boric acid.

#### Financial information

The colemanite was acquired at an average cost of \$39 per long dry ton. There is no domestic market for this material but European prices are quoted at \$25 to \$27 per metric ton, f.o.b. Turkish ports.

### DISPOSAL OF VEGETABLE TANNIN

The bill (H.R. 10516) authorizing the disposal of vegetable tannin extracts from the national stockpile was considered, ordered to a third reading, read the third time, and passed.

#### PURPOSE

This bill would (1) grant congressional approval for the disposal of (a) 15,000 long tons of chestnut tannin extract, (b) 111,457 long tons of quebracho tannin extract, and (c) 23,962 long tons of wattle tannin extract; and (2) waive the 6-month waiting period ordinarily before disposals from the national stockpile may be accomplished.

#### EXPLANATION

##### Why congressional action required

Under existing law congressional approval is required for the disposal of materials in the national stockpile except when the proposed disposal action is based on a determination that the material has become obsolescent for use in time of war.

The proposed disposal of the vegetable tannin extracts that are named in this bill

is based on a determination that the quantity of these extracts now in the national stockpile is excess to requirements and not because they are obsolescent for use in time of war. Consequently, express congressional approval for the disposal is required.

Moreover, the bill would authorize the immediate disposal of these vegetable tannin extracts by waiving the normal requirement for a 6-month waiting period after notice of the proposed disposal is published in the Federal Register.

##### Why disposal is proposed

In recent years U.S. consumption of all vegetable tannin extracts has declined to less than one-half of the quantities consumed 20 years ago. This decline is primarily a result of a diminishing use of heavy leather instead of its being a result of the use of substitutes. The increased use of rubber, plastic, and synthetic shoe soles has had the greatest impact on tannin consumption; less than 30 percent of the shoes produced today have leather soles. This downward trend in the production of heavy leather is expected to continue. Substitute materials, such as Corfam, have displaced lighter leather, but these substitutes have not substantially affected the use of vegetable tannin extracts.

The stockpile objective for chestnut extract is 15,000 long tons. The inventory is 33,544 long tons, of which 3,544 long tons have been authorized for disposal under earlier congressional authorization. The remaining excess of approximately 15,000 long tons would be made available for disposal by this bill.

The stockpile objective for quebracho tannin extract is 86,000 long tons. The inventory is 197,457 long tons and thus 111,457 long tons are excess to current requirements.

The stockpile objective for wattle tannin extract is 15,000 long tons. The inventory is 38,962 long tons and thus approximately 23,962 long tons are excess to current requirements.

#### Financial information

The chestnut extract was acquired at an average cost of \$279 per long ton and the current market price is \$207 per long ton.

The quebracho cost \$247 per long ton on the average, and the current market price is \$201 per long ton.

The average cost of the wattle was \$252 per long ton and the current market price is \$199 per long ton.

Approval of this bill will enable the Government to sell surplus quantities of these materials for cash.

### DISPOSAL OF ABACA

The bill (H.R. 6852) to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 47 million pounds of abaca from the national stockpile was considered, ordered to a third reading, read the third time, and passed.

The title was amended, so as to read: "An Act to authorize the disposal, without regard to the prescribed six-month waiting period, of approximately ninety-seven million pounds of abaca from the national stockpile."

EXCERPT FROM THE COMMITTEE REPORT  
(No. 779)

#### PURPOSE

This bill would (1) grant congressional consent to the disposal of approximately 97 million pounds of abaca now held in the national stockpile and (2) waive the 6-month waiting period normally required before such disposal could be started.

September 24, 1965

## EXPLANATION

*Why congressional action required*

Under existing law, congressional approval is required for the disposal of materials in the national stockpile except when the proposed disposal action is based on a determination that the material has become obsolescent for use in time of war.

The proposed disposal of abaca is based on a determination that the quantity of this material in the national stockpile is excess to requirements and not because the abaca is obsolescent for use in time of war. Consequently, express congressional approval for the disposal is required.

Moreover, the bill would authorize an immediate start on the disposal of abaca by waiving the statutory requirement for a 6-month waiting period after notice of the proposed disposal is published in the Federal Register.

*Why disposal is proposed*

The current stockpile objective for abaca is 50 million pounds. The national stockpile inventory is 147 million pounds. Hence 97 million pounds of abaca are surplus to stockpile objectives.

Abaca is subject to deterioration. Most of the surplus abaca is 7 years old or older. Unless disposal is authorized, rotation of the older fiber may be required to avoid loss of the Government investment of about \$24 million in the quantity of fiber that is surplus. The rotation of 9.5 million pounds annually would cost the Government approximately \$500,000 each year. The annual cost of storing the surplus of 97 million pounds is approximately \$240,000.

*Information on abaca*

The principal use for abaca fiber is in the manufacture of rope for marine, industrial, and farm purposes. Some quantities of the fiber are also used in the manufacture of various products.

World production of abaca now is at a rate of about 250 million pounds annually. More than 85 percent of this product is from the Philippine Islands.

The United States, Canada, Japan, Europe, and the United Kingdom are the principal consumers of abaca fiber. Consumption in the United States and Canada is at a rate of about 70 million pounds annually, almost half the consumption rate for North America of 10 years ago before the use of synthetic fibers became extensive.

Under congressional authority granted earlier, the General Services Administration sold 5 million pounds of abaca between July and September of 1962 and about 16 million pounds between September 1959 and June 1960. Consumption levels in the United States and Canada at the time of those disposals were not materially different from now. The earlier sales were made without adverse impact upon markets and the General Services Administration is of the opinion that the present surplus can be disposed of without seriously disrupting current markets.

The committee was informed that disposals in the first year will be limited to 5.5 million pounds and that after the initial disposal there will be additional consultation in an attempt to keep disruption of markets at a minimum.

*Financial information*

The surplus abaca was acquired at an average cost of \$0.2525 per pound. The current market price is quoted at \$0.22 per pound for Philippine grade, Davao SJ-1, landed New York.

## DISPOSAL OF NICKEL

The bill (H.R. 10305) to authorize the disposal, without regard to the prescribed 6-month waiting period, of approxi-

ma'tely 124,220,000 pounds of nickel from the national stockpile which had been reported from the Committee on Armed Services with an amendment on page 1, line 4, after the word "approximately", to strike out "one" and insert "two".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended, so as to read: "An Act to authorize the disposal, without regard to the prescribed six-month waiting period, of approximately two hundred and twenty-four million two hundred thousand pounds of nickel from the national stockpile."

EXCERPT FROM THE COMMITTEE REPORT (No. 780)

## PURPOSE

This bill would (1) grant congressional consent to the disposal of approximately 224,200,000 pounds of nickel now held in the national stockpile, and (2) waive the 6-month waiting period normally required before such disposal could be started.

## EXPLANATION

*Why congressional action required*

Under existing law congressional approval is required for the disposal of materials in the national stockpile except when the proposed disposal action is based on a determination that the material has become obsolescent for use in time of war.

The proposed disposal of nickel is based on a determination that the quantity of this material in the national stockpile is excess to requirements and not because the nickel is obsolescent for use in time of war. Consequently, express congressional approval for the disposal is required.

Moreover, the bill would authorize an immediate start on the disposal of nickel by waiving the normal requirement for a 6-month waiting period after notice of the proposed disposal is published in the Federal Register.

*Why disposal is proposed*

The current stockpile objective for nickel is 100 million pounds. The national stockpile inventory is approximately 324,200,000 pounds. Hence, 224,200,000 pounds of nickel are surplus to stockpile objectives.

In November of 1964 the General Services Administration formulated a long-range disposal program for all surplus nickel, including that held in the Defense Production Act inventory. In developing this disposal plan the General Services Administration consulted extensively with all segments of the nickel-producing and the nickel-consuming industries. The initial disposal rate was set at 15 million pounds annually, with specific limitations on the several types of nickel such as electrolytic, cathodes, ferronickel, and nickel oxide powder. Three quarterly offerings have been made and participation has been better than expected. Because of a strong market the disposal rate has been raised to 25 million pounds for fiscal year 1966. Sales of balanced quantities of the several forms of nickel will help to prevent disruption of normal markets and authority to dispose of nickel from the surplus in the national stockpile is needed to permit balanced sales beginning with the second quarter of this fiscal year.

*Financial information*

Nickel in the national stockpile was acquired at an average cost of 54 cents per pound. The current market price is 79 cents per pound. If this price remains stable, the Government could realize receipts of more

than \$177 million, of which more than \$50 million would be a profit from the sale of surplus nickel.

## COMMITTEE ACTION

As referred to the committee the bill authorized the disposal of 124,200,000 pounds of nickel, 100 million pounds less than the entire surplus.

In its original request to the Congress the General Services Administration had sought authority for the disposal of the entire surplus of 224,200,000 pounds.

During a hearing on this bill a nickel industry witness urged that a portion of the surplus should be retained in the stockpile to provide for the possibility that the stockpile objective for nickel might be raised in the future. The committee requested the General Services Administration and Office of Emergency Planning to submit additional information justifying the request for authority to dispose of all the surplus. Letters from these agencies in response to this request appear at the end of this report.

After considering the additional information submitted, the committee concurred in the desirability of authorizing the disposal of 224,200,000 pounds of nickel.

## THE LOAN OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

The Senate proceeded to consider the bill (H.R. 7812) to authorize the loan of naval vessels to friendly foreign countries, and for other purposes, which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

## TITLE I

SEC. 101. Notwithstanding section 7307 of title 10, United States Code, or any other law, the President may lend to friendly foreign nations, on such terms and conditions as he deems appropriate, ships from the reserve fleet as follows:

(1) Italy, two submarines, and (2) Spain, one helicopter carrier.

SEC. 102. All expenses involved in the activation, rehabilitation, and outfitting (including repairs, alterations, and logistic support) of vessels transferred under this title shall be charged to funds provided by the recipient government under the reimbursable provisions of the Foreign Assistance Act of 1961, as amended, or successor legislation.

## TITLE II

SEC. 201. Notwithstanding section 7307 of title 10, United States Code, or any other law, the President may sell or lend, at his discretion, to friendly foreign nations of Latin America from the reserve fleet, on such terms and conditions as he deems appropriate, destroyers as follows:

(1) Argentina, two destroyers, Brazil, three destroyers.

SEC. 202. All expenses involved in the activation, rehabilitation, and outfitting (including repairs, alterations, and logistic support) of vessels transferred under this title shall be charged to funds provided by the recipient government under the reimbursable provisions of the Foreign Assistance Act of 1961, as amended, or successor legislation.

SEC. 203. Notwithstanding sections 7304 and 7305 of title 10, United States Code, should the President determine that the vessel or vessels shall be sold to the recipient government, said vessel or vessels shall be stricken from the Naval Vessel Register. The vessel or vessels shall be sold at not less than \$1,000,000 each over and above any cost of activation, overhaul, or modification. All sales will be made pursuant to the Foreign Assistance Act of 1961, as amended, or successor legislation.